



6712-01

FEDERAL COMMUNICATIONS COMMISSION

[GN Docket No. 18-122, DA 20-586; FRS 16829]

Wireless Telecommunications Bureau Seeks Comment on Optional Lump Sum Payments for 3.7-4.2 GHz Band Incumbent Earth Station Relocation Expenses

AGENCY: Federal Communications Commission.

ACTION: Notice.

SUMMARY: In this document, the Wireless Telecommunications Bureau (Bureau) seeks comment on the preliminary lump sum categories and payment amounts available to Fixed Satellite Service incumbent earth station operators as part of the 3.7-4.2 GHz band transition.

DATES: Comments are due **[INSERT DATE 7 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER.]**

ADDRESSES: You may submit comments and reply comments, identified by GN Docket No. 18-122, by any of the following methods:

- **Electronic Filers:** Elections may be filed electronically using the Internet by accessing the ECFS: <http://apps.fcc.gov/ecfs/> in docket number GN 18-122.
- **Paper Filers:** Parties who choose to file by paper must file an original and one copy of each filing.
- Filings can be sent by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
- Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.U.S.

- Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.
- **Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. See FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy, Public Notice, DA 20-304 (March 19, 2020). <https://www.fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-delivery-policy>**
- **During the time the Commission's building is closed to the general public and until further notice, if more than one docket or rulemaking number appears in the caption of a proceeding, paper filers need not submit two additional copies for each additional docket or rulemaking number; an original and one copy are sufficient.**

FOR FURTHER INFORMATION CONTACT: Susan Mort, Wireless

Telecommunications Bureau, at Susan.Mort@fcc.gov or 202-418-2429.

SUPPLEMENTARY INFORMATION: This is a summary of the Public Notice,

Wireless Telecommunications Bureau Seeks Comment on Optional Lump Sum Payments

for 3.7-4.2 GHz Band Incumbent Earth Station Relocation Expenses, GN Docket No. 18-

122, DA 20-586 (Public Notice), released on June 4, 2020. The complete text of the

Public Notice is available on the Commission's website at

<https://docs.fcc.gov/public/attachments/DA-20-586A1.pdf> or by using the search function

for GN Docket No. 18-122 on the Commission's ECFS web page at www.fcc.gov/ecfs.

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 CFR §§ 1.415, 1.419, interested parties may file elections on or before the date indicated on the first page of this document.

People with Disabilities: To request materials in accessible formats for people with disabilities (braille, large print, electronic files, audio format), send an e-mail to

fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at 202-418-0530 (voice), 202-418-0432 (tty).

Ex Parte Rules: This proceeding shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s ex parte rules. Persons making ex parte presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral ex parte presentations are reminded that memoranda summarizing the presentation must: (1) list all persons attending or otherwise participating in the meeting at which the ex parte presentation was made; and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenters written comments, memoranda, or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during ex parte meetings are deemed to be written ex parte presentations and must be filed consistent with section 1.1206(b) of the Commission’s rules. In proceedings governed by section 1.49(f) of the rules or for which the Commission has made available a method of electronic filing, written ex parte presentations and memoranda summarizing oral ex parte presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native

format (*e.g.*, .doc, .xml, .ppt, searchable .pdf). Participants in this proceeding should familiarize themselves with the Commission's ex parte rules.

SYNOPSIS: With this *Public Notice*, the Wireless Telecommunications Bureau (the Bureau) invites interested parties to provide additional comment on the preliminary lump sum categories and payment amounts available to Fixed Satellite Service (FSS) incumbent earth station operators as part of the 3.7-4.2 GHz band (C-band) transition.

In the *3.7 GHz Band Report and Order*, the Commission adopted rules to make 280 megahertz of mid-band spectrum available for flexible use, plus a 20 megahertz guard band, throughout the contiguous United States by transitioning existing services out of the lower portion and into the upper 200 megahertz of the C-band. The *3.7 GHz Report and Order* established that new 3.7 GHz Service licensees will reimburse the reasonable relocation costs of eligible incumbents, including incumbent FSS earth station operators, to transition to the upper 200 megahertz of the band. The *3.7 GHz Report and Order* established that incumbent FSS earth station operators may either accept:

(1) reimbursement for their actual reasonable relocation costs by maintaining satellite reception; or (2) a lump sum reimbursement “based on the average, estimated costs of relocating all of their incumbent earth stations” to the upper 200 megahertz of the C-band. The *3.7 GHz Report and Order* directed the Bureau to establish a cost category schedule of the types of expenses that incumbents may incur.

The Commission engaged a third-party contractor, RKF Engineering Solutions, LLC (RKF), to assist in identifying costs that incumbents might incur and to assist with the development of a cost category schedule. With assistance from RKF, the Bureau developed the 3.7 GHz Transition Preliminary Cost Category Schedule of Potential

Expenses and Estimated Costs (Preliminary Cost Catalog), which proposed classes of earth stations eligible for lump sum payments but did not specify the amounts. The Bureau sought comment on the earth station classes and specific costs and prices that should ultimately be included in the lump sums. In response, commenters proposed additional classes of earth stations, including a separate category for multichannel video programming distributor (MVPD) earth stations. Some commenters offered methodologies for calculating the lump sum amounts and proposed lump sum amounts. Commenters also identified additional transition costs to be included in the calculation, such as modulation and encoding technology.

After considering the comments received in response to the *Cost Catalog Public Notice*, the Bureau, with assistance from RKF, has updated the classes of earth stations and developed proposed lump sum amounts for each class of earth station. The Bureau seeks additional comment on the proposed earth station classes and proposed lump sum amounts. The Bureau also seeks comment on the methodology for determining average estimated costs. Do the modified categories accurately reflect the relevant classes of earth stations? Do the lump sum amounts reflect the average estimated costs of relocation for each class of earth station, as required by the *3.7 GHz Report and Order*?

Updated Classes of Earth Stations. The Bureau proposes a modified list of earth station classes to more accurately reflect the types of earth stations currently operating in the contiguous United States and to account for the additional costs that MVPD earth station operators may incur during the transition. To determine the relevant lump sum amount, the threshold question is whether an earth station is used for MVPD or non-MVPD operations. Non-MVPD earth station operators would be eligible to receive the

base amounts for the relevant class of earth station(s) they operate (e.g., receive only single-feed; receive only multi-feed, small multi-beam, etc.). MVPD earth station operators would be eligible to receive the relevant base amount, as well as the amount associated with any relevant technology upgrades (e.g., Integrated Receiver/Decoder (IRD) replacements) that would be required to transition each eligible MVPD earth station.

Methodology to Calculate Lump Sum Amounts. The Bureau calculated the base lump sum amounts using the relevant earth station cost components from the Preliminary Cost Catalog, with adjustments based on feedback from commenters. For each cost item from the Preliminary Cost Catalog, the Bureau determined the likely number of instances various cost items would be used in an average transition for that earth station class, i.e., how many modifications or component replacements were needed for a given type of earth station in a typical transition. The cost of the modification or replacement used for the lump sum calculation was the average cost of the range from the Preliminary Cost Catalog. Depending on the type of earth station, the Bureau input different modifications or component changes based on the typical range of changes that would be necessary for this type of earth station transition. Some cost elements like soft costs, travel, and filtering apply to all types of earth stations, whereas monthly rental earth stations, fiber transmitters, and other cost elements only apply to more complex earth station transitions.

The Bureau seeks comment on the methodology for calculating the lump sum base amounts. Do the assumptions we make accurately represent the average transition for each class of earth station? For costs that will not be necessary in all transitions, in what percentage of typical transitions for each earth station class would those cost items

be necessary? For example, if it is estimated that a rental antenna is needed for 33% of the transitions, the lump sum calculation includes 33% of the cost of such an item. We seek comment on this approach and invite commenters to provide specific data or information on the percentages of typical transitions that would require various expenses.

The Bureau lists two types of technology upgrades for MVPDs (MVPD downlink receiver replacement and program source uplink transmitter replacement and associated changes to shift to higher order modulation techniques) as separate line items and do not include them in the earth station base lump sum amounts. As indicated, these specific technology upgrade lump sum payments can be claimed by MVPD operators only for those MVPD earth stations where upgrades are necessary for the continued provision of existing services after the transition. Similar to the calculation method for earth station lump sum base amounts, the Bureau calculates the technology upgrade lump sum amounts from the average cost of relevant cost elements using a typical number of channels that will need to be upgraded, the amount of equipment to be replaced, and other expenses necessary to achieve the technology upgrade. The Bureau seeks comment on whether the method of calculating the lump sum payment for technology upgrades adequately addresses the needs of the stakeholders that may need to replace equipment to operate higher order modulation technologies to meet service demands in the remaining 200 megahertz of the C-band. Should there be additional technology upgrade lump sum options based on a more specific demonstration of the level of equipment replacement that is needed? What type of demonstration should we require from MVPD earth station operators to receive technology upgrade lump sum payments? Are there other methods to address the technology upgrade needs for those interested in lump sum payments?

How many received channels will need technology upgrades in a typical transition?

What percentage of MVPD earth station sites will need technology upgrades? What percentage of various cost factors need to be deployed in the typical transition?

Lump Sum Amounts. The Bureau seeks comment on the base lump sum amounts for each class of earth station as well as the technology upgrade lump sum amounts.

Estimated Lump Sum Payments per Earth Station	Average Estimated Cost (\$)
<i>Base Lump Sum Payments</i>	
Receive-Only Earth Station (ES) Single-feed	5,217
Receive-Only ES Multi-feed	22,233
Receive-Only Small Multi-beam (2-4 beams) ES	43,159
Receive-Only Large Multi-beam (5+ beams) ES	53,381
Gateway ES (bi-directional)	20,726
Temporary Fixed ES (mobile Electronic News Gathering trucks)	3,060
<i>Technology Upgrade Lump Sum Payments for Qualifying MVPD Earth Stations</i>	
MVPD Downlink Technology Upgrades (per earth station)	70,782
Program Source Uplink Technology Upgrades	156,932

After this additional comment period, and consistent with the *3.7 GHz Report and Order*, the Bureau will consider the record compiled on these issues and publish the final lump sum amounts and provide instructions for making such an election.

Amy Brett,

Chief of Staff, Competition and Infrastructure Policy Division, Wireless
Telecommunications Bureau.

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